

# Income Payments to Individuals, by States, 1929-39<sup>1</sup>

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**I**NCOME payments to individuals, both in total and on a per capita basis, increased significantly in nearly all States from 1938 to 1939. For the Nation, the rise in total payments was 6 percent, equivalent to a 5 percent increase per capita. Gains in some States were more marked than in others, ranging from an increase of 1 percent in total payments in Kansas to 11 percent in Michigan, and from no significant change in average payments in Arizona to 10 percent in North Dakota.

Per capita income payments in 1939 continued to be characterized by wide variations among the different States. For all States combined, this average figure stood at \$636, but individuals in 10 States received payments averaging more than \$636 and payments were less than \$436 per person in 18 States. Per capita income in the five States with the highest averages (\$750 or more) was more than three times the figure for the five States at the other end of the range (\$300 or less).

## NATURE AND COMPOSITION OF INCOME PAYMENTS

Total income payments are made up of four major types of income: Net salaries and wages, supplements to salaries and wages (direct and work relief and unemployment benefits, pension payments, workmen's compensation, etc.) entrepreneurial withdrawals (incomes of self-employed persons available for personal use), and capital return (dividends, interest, and net rents and royalties).

Income payments should not be confused with national income as there are important differences between these two measures, both in magnitude and in significance. Payments include certain types of income for which no services are currently rendered (as direct relief, public-assistance disbursements by governmental agencies, benefits paid under unemployment compensation and old-age insurance programs, and payments on veterans' adjusted service certificates) and omit certain elements of national income which do not immediately flow to individuals (as business savings and employer and employee contributions to retirement and unemployment reserve funds).

The estimates of income payments are developed from a number of different sources. Net salary and wage figures (including commissions, bonuses, and fees)

are reported in the various surveys of manufacturing and some other industries conducted by the Bureau of the Census. These figures are supplemented by data from Government regulatory agencies and from trade associations and by information developed through questionnaire surveys conducted by the National Income Division. The salary-wage estimates are "net" in the sense that contributions to the various unemployment compensation and old-age insurance and retirement funds established by governmental units are excluded. Estimates of entrepreneurial net income in agriculture are developed from data reported by the Bureau of Agricultural Economics, and information for withdrawals in other industries comes from census reports and questionnaire surveys. Supplements to salaries and wages are nearly all well reported by various Government agencies. Payments of dividends, interest, and net rents and royalties are distributed by States on the basis of information on individual income compiled by the Bureau of Internal Revenue and on further analysis of income of this type received through savings institutions. Totals for the different types of payments and for all payments to individuals agree substantially with those reported by the Department of Commerce in its monthly series on income payments.

The per capita figures given in table 1 are derived by dividing income payments by total population. Population estimates are keyed to census figures for 1930 and 1940, with interpolation for intercensal years based upon figures released by the Bureau of the Census for July 1 of each year from 1929 to 1937. Source material now available generally permits the allocation of salary and wage payments and entrepreneurial withdrawals only to States in which such income is earned. Since the population data are based upon residence, differences between State of residence and State of employment therefore may distort per capita income figures.

These differences are usually not substantial. In two cases, however, the District of Columbia and New Jersey, the error in per capita income as calculated from available data is so marked that the figures are omitted from table 1. From these data per capita income for the District of Columbia would appear to be unusually high, since many persons earning their income there live in Maryland and Virginia. For the opposite reason New Jersey per capita figures appear unusually low. The per capita incomes reported for New York, Connecticut, Maryland, and Virginia (and possibly for some other States) are also affected, but not so much as to make the figures unusable.

<sup>1</sup> These estimates are revisions and extensions of data published in an article appearing in the April 1940 issue of the *Survey of Current Business*. Discussion presented in the text of that article remains valid, but most of the sources have been improved. For a more comprehensive explanation of the concept of income payments, see *Income Payments in the United States, 1929-40*, Government Printing Office, Washington, D. C.; price, 15 cents.

## CHANGES BETWEEN 1929 AND 1939

State income payments are important indicators of changes in regional economic organization and in the level of economic activity. They provide background for analysis of many specific problems and are useful to businessmen and Government agencies concerned with policy decisions relating to purchasing and fiscal capacities in the different States.

Total income payments declined steadily after 1929, finally reaching a level in 1933 at 57 percent of the 1929 figure. Advances through 1937 were marked, but were followed by a decline in 1938 with a partial recovery in 1939. This pattern of change held for nearly all of the States as well, but differences in the amplitude of these changes were often significant. The columns of table 1 presenting a summary of the shifts over the period (the relationship of per capita income in individual States to the per capitae for the Nation as a whole at both ends of the period) provide a means of identifying areas in which secular changes have been important.

In nine States (Michigan, Illinois, North Dakota, South Dakota, Alabama, Mississippi, Oklahoma, Montana, and Idaho), per capita income payments declined by 50 percent or more between 1929 and 1932-33. By 1939, per capita income was at 79 percent of the 1929

figure for the Nation as a whole, but average income in only five of those States (Michigan, North Dakota, South Dakota, Montana, and Idaho) had recovered to the same or a better level.

Per capita incomes in four States in 1939 were less than 75 percent of their 1929 figures: New York (73.0 percent), Illinois (71.7), Alabama (74.5), and Mississippi (74.1). Averages improved substantially relative to the national figures in a number of States, including Minnesota (88.6 percent of the 1929 level in contrast with 79.2 for the country as a whole), Virginia (91.9), South Carolina (97.8), Georgia (87.7), Florida (88.6), Texas (86.8), Colorado (87.6), Wyoming (87.7), New Mexico (90.2), and Nevada (92.3).

These illustrations reflect the cyclical and secular changes which have taken place over the past decade. Per capita income in some States is more variable than in others, particularly where one State has a higher proportion of durable goods activity than another (as Michigan in contrast with Massachusetts) or where agriculture is more important (as Iowa in contrast with Maryland). Per capita income in particular States has also improved or declined in relation to the average for the country as a whole. The movements exhibited in table 1 are compounds of the two tendencies.

Table 1.—Per Capita Income Payments by States, 1929-39

State <sup>1</sup>	Per capita payments in dollars										Ratio to national per capita payments		
	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1929	1939	
Alabama.....	295	243	180	157	145	197	208	248	265	238	242	0.845	0.663
Arizona.....	386	363	419	314	307	290	447	490	467	458	396	.851	.851
Arkansas.....	305	222	172	154	144	135	201	238	243	234	244	.451	.454
California.....	978	829	747	585	548	500	549	754	702	726	753	1.645	1.104
Colorado.....	598	588	484	386	266	401	433	506	654	504	522	.860	.974
Connecticut.....	928	846	741	674	544	807	856	751	803	711	768	1.371	1.433
Delaware.....	1,026	874	805	515	592	651	726	845	912	785	846	1.514	1.482
Florida.....	516	455	363	306	286	341	368	420	454	426	457	.702	.853
Georgia.....	833	279	225	188	150	232	248	290	305	278	282	.492	.545
Idaho.....	599	474	386	264	265	349	365	445	590	524	485	.721	.845
Illinois.....	892	769	617	457	420	487	520	519	664	603	640	1.312	1.164
Indiana.....	589	503	421	314	267	305	402	481	520	491	520	.870	.922
Iowa.....	538	523	414	275	260	330	374	469	561	439	448	.792	.852
Kansas.....	518	481	398	281	264	235	260	427	355	379	411	.767	.767
Kentucky.....	275	219	243	212	184	239	262	381	319	294	300	.554	.660
Louisiana.....	411	356	310	243	230	273	287	326	341	329	350	.607	.653
Maine.....	574	559	491	387	372	404	437	423	502	457	484	.848	.897
Maryland.....	696	578	407	459	481	508	677	614	599	585	627	1.027	1.110
Massachusetts.....	874	816	741	609	659	607	639	706	724	666	703	1.291	1.235
Michigan.....	759	537	517	394	317	444	507	599	690	592	604	1.121	1.127
Minnesota.....	670	534	458	241	259	370	421	493	611	485	505	.842	.943
Mississippi.....	274	205	142	121	126	164	174	203	104	203	105	.405	.379
Missouri.....	406	458	406	268	237	381	406	469	494	455	472	.898	.891
Montana.....	646	528	441	316	237	483	541	587	592	610	553	1.038	1.038
Nebraska.....	538	547	457	279	312	377	378	466	484	483	421	.786	.788
Nevada.....	573	594	720	554	518	587	681	753	531	541	506	1.290	1.604
New Hampshire.....	661	561	546	427	416	487	488	520	611	519	542	.868	.868
New Mexico.....	358	223	282	207	218	278	285	382	316	322	329	.853	.853
New York.....	1,130	1,063	909	710	664	716	756	858	890	799	825	1.049	1.038
North Carolina.....	326	265	224	163	166	248	251	292	311	290	301	.480	.563
North Dakota.....	441	365	254	182	217	282	287	334	348	328	363	.651	.676
Ohio.....	747	656	544	425	390	466	488	536	643	582	608	1.103	1.139
Oklahoma.....	432	355	277	217	226	265	267	327	370	328	343	.630	.640
Oregon.....	584	573	480	367	347	409	482	535	586	610	585	.981	1.017
Pennsylvania.....	758	696	580	496	406	409	504	570	612	541	575	1.117	1.073
Rhode Island.....	564	776	666	666	624	603	607	649	694	638	646	1.247	1.243
South Carolina.....	273	223	189	155	160	208	221	264	268	249	266	.406	.500
South Dakota.....	446	436	366	194	224	272	269	349	341	348	373	.659	.896
Tennessee.....	368	298	241	194	196	243	246	297	309	299	304	.530	.592
Texas.....	462	389	333	260	235	300	322	387	408	329	401	.683	.748
Utah.....	552	490	406	299	298	340	365	437	474	446	449	.810	.838
Vermont.....	603	550	484	283	268	267	433	483	494	457	498	.891	.807
Virginia.....	418	331	322	272	238	299	324	370	395	345	315	.718	
Washington.....	722	649	527	401	363	444	455	580	596	574	598	1.076	1.131
West Virginia.....	566	408	366	287	262	321	343	393	412	379	372	.848	.705
Wisconsin.....	651	580	468	365	338	388	440	513	527	489	501	.965	.935
Wyoming.....	710	545	567	418	420	484	545	614	528	528	528	1.048	1.162

<sup>1</sup> Per capita income not computed for District of Columbia or for New Jersey. See text.



Table 2.—Income Payments, by Types of Payment and by States, 1929-39—Continued

Type of payment	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	
Total	555	700	684	515	491	502	639	736	781	784	820	467	446	398	318	306	384	304	408	420	382	404
Net salaries and wages	418	487	411	321	303	226	367	406	450	457	471	278	262	234	187	181	200	218	230	261	229	244
Other labor income	12	14	30	26	25	42	41	62	44	56	60	9	10	17	13	16	19	21	31	19	27	26
Entrepreneurial with- drawals	199	135	112	83	92	136	149	173	108	172	181	83	87	83	47	66	52	60	73	76	63	67
Dividends, interest, etc.	126	114	108	76	63	77	53	101	113	100	108	87	87	84	68	68	64	74	74	64	68	
Total	2,124	1,077	958	782	783	824	879	1,007	1,083	990	1,070	3,690	3,470	3,125	2,589	2,378	2,570	2,735	3,630	3,306	2,873	3,034
Net salaries and wages	708	601	676	464	421	462	522	503	585	614	677	2,398	2,100	1,984	1,935	1,417	1,834	1,003	1,704	1,921	1,751	1,872
Other labor income	13	14	29	26	28	43	39	60	41	58	48	50	59	59	110	97	112	147	171	226	174	226
Entrepreneurial with- drawals	127	131	107	89	92	100	117	132	143	138	133	248	218	265	288	219	241	202	265	207	290	208
Dividends, interest, etc.	208	251	247	200	182	203	281	222	238	201	212	658	594	523	712	626	657	640	712	704	697	633
Total	8,085	3,085	2,488	1,893	1,607	2,150	2,406	2,940	3,812	2,806	3,123	1,464	1,373	1,160	803	808	1,007	1,125	1,520	1,388	1,830	1,998
Net salaries and wages	2,082	2,007	1,078	1,313	1,168	1,491	1,740	1,982	2,363	1,888	2,100	858	818	710	673	609	683	621	689	700	736	792
Other labor income	39	44	198	70	93	127	124	163	119	289	211	20	22	49	34	42	78	83	128	98	110	114
Entrepreneurial with- drawals	456	374	306	216	244	301	344	403	413	370	395	377	350	264	169	204	237	289	345	368	429	412
Dividends, interest, etc.	632	531	428	298	172	237	387	384	387	329	367	201	185	167	113	132	165	161	140	155	155	
Total	646	412	289	203	208	237	303	456	432	417	441	2,195	2,026	1,729	1,340	1,297	1,357	1,530	1,704	1,814	1,749	1,782
Net salaries and wages	266	223	178	141	157	142	153	176	161	177	103	1,412	1,303	1,102	860	868	916	1,004	1,028	1,033	1,070	
Other labor income	9	10	22	17	21	31	30	36	46	33	37	61	50	47	45	52	76	86	142	99	130	128
Entrepreneurial with- drawals	227	147	61	87	90	157	161	197	186	167	169	417	361	266	216	247	291	269	347	350	322	331
Dividends, interest, etc.	55	42	30	22	20	29	30	50	37	40	38	335	331	276	214	188	212	227	273	276	265	
Total	347	234	238	168	180	230	298	314	221	279	204	739	753	626	883	426	841	683	613	573	525	562
Net salaries and wages	314	182	161	118	186	127	142	172	180	168	177	375	358	314	249	220	249	281	272	320	378	411
Other labor income	6	5	10	3	13	21	21	21	21	23	26	10	10	21	14	16	20	22	38	42	29	
Entrepreneurial with- drawals	50	69	62	25	45	73	93	83	96	62	79	255	302	220	72	146	192	164	224	212	162	100
Dividends, interest, etc.	32	23	23	17	16	20	19	20	23	20	22	99	85	73	93	45	61	56	63	60	41	
Total	79	55	47	52	48	58	59	78	80	80	88	202	281	257	203	189	225	238	259	267	244	
Net salaries and wages	53	45	42	28	32	37	42	46	50	63	58	204	188	105	128	124	140	140	161	166	182	186
Other labor income	1	1	2	1	2	4	4	5	4	4	5	4	0	8	7	8	12	12	18	10	15	
Entrepreneurial with- drawals	47	14	12	6	9	10	13	14	15	12	13	38	31	27	23	23	27	40	32	34	33	
Dividends, interest, etc.	9	10	10	7	7	10	13	14	14	11	12	45	53	58	48	47	57	63	50	48	49	
Total	2,325	3,001	2,734	2,107	1,981	2,184	2,322	2,021	2,747	2,487	2,074	180	138	121	90	97	126	157	183	175	170	
Net salaries and wages	2,187	1,873	1,898	1,353	1,197	1,232	1,472	1,674	1,741	1,618	1,711	90	85	75	61	57	63	72	84	81	87	88
Other labor income	34	38	74	51	73	113	130	163	133	137	130	3	3	6	5	4	14	17	21	14	16	10
Entrepreneurial with- drawals	359	353	386	248	242	357	274	812	852	833	820	42	39	27	15	29	35	30	44	54	40	50
Dividends, interest, etc.	688	709	587	642	408	453	496	542	449	478	458	10	14	13	9	8	10	12	14	10	16	
Total	14,037	18,317	11,607	9,006	8,428	9,311	8,945	10,887	11,520	10,490	10,901	1,017	945	721	600	647	839	883	1,000	1,073	1,048	
Net salaries and wages	8,660	8,206	8,985	6,332	4,843	5,420	5,793	6,285	6,728	6,356	6,688	909	863	490	372	368	436	473	484	587	570	617
Other labor income	144	109	263	244	255	401	569	707	654	608	627	11	13	31	20	29	39	40	63	54	58	
Entrepreneurial with- drawals	1,723	1,684	1,251	1,062	990	1,067	1,221	1,305	1,446	1,309	1,484	200	172	188	132	161	245	270	286	310	278	282
Dividends, interest, etc.	3,453	3,307	2,941	2,408	2,361	2,313	2,275	2,670	2,508	2,218	2,472	117	100	91	72	77	82	68	117	123	103	111

